memorandum of understanding or related agreement on the *international competitive* position of United States industry.

"(b) INTER-AGENCY REVIEW OF EFFECTS ON UNITED STATES INDUSTRY.—Whenever the Secretary of Commerce has reason to believe that an existing or proposed memorandum of understanding or related *agreement* has, or threatens to have, a significant adverse effect on the international competitive position of United States industry, the Secretary may request an inter-agency review of the memorandum of understanding or related agreement. If as a result of the review, the Secretary determines that the commercial interests of the United States are not being served or would not be served by adhering to the terms of such existing memorandum or related agreement or agreeing to such proposed memorandum or related agreement, as the case may be, the Secretary shall recommend to the President the renegotiation of the existing memorandum or related agreement or any modification to the proposed memorandum of understanding or related agreement that he considers necessary to ensure an appropriate balance of interests.

"(c) LIMITATION ON ENTERING INTO MOUs AND RELATED AGREEMENTS.—A memorandum of understanding or related agreement referred to in subsection (a) may not be entered into or implemented if the President, taking into consideration the results of the inter-agency review, determines that such memorandum of understanding or related agreement has or is likely to have a significant adverse effect on United States industry that outweighs the benefits of entering into or implementing such memorandum or agreement".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 148 of such title is amended by striking out the item relating to section 2504 and inserting in lieu thereof the following:

"2504. Defense memoranda of understanding and related agreements.".

SEC. **816.** OFFSETS IN RECIPROCAL DEFENSE PROCUREMENT AGREEMENTS

Section 825(c) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100-456; 102 Stat. 2021) is amended—

(1) by transferring the text of paragraph (2) to the end of paragraph (1) and in that text striking out "the date of the enactment of this Act" and inserting in lieu thereof "September 29, 1988"; and

(2) by inserting the following after "(2)": "In the negotiation or renegotiation of any memorandum of understanding between the United States and one or more foreign countries relating

to
the reciprocal procurement of defense
equipment and supplies
or research and development, the President
shall make every
effort to achieve an agreement with the
country or countries
concerned that would limit the adverse
effects that offset
arrangements have on the defense industrial
base of the United
States.".

SEC. 817. SIMPLIFIED APPROVAL OF CONTRACTS IMPLEMENTING CERTAIN INTERNATIONAL AGREEMENTS

(a) EXCEPTION.—Paragraph (2) of section 2304(f) of title 10, United States Code, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; or"; and

10 USC 2505 note.

President of U.S.